

## Frequently Asked Questions

1. How does an applicant apply for HARP grant funds?

The borrower notifies the lender that he/she wishes to apply for National Mortgage Settlement grant monies. If the applicant meets the eligibility requirements, the lender will file an application on the applicant's behalf.

2. Are the HARP grant funds available through any lender?

Yes, any lender licensed to conduct mortgage lending business in the State Of Michigan.

3. What are the HARP grant amounts?

\$500 toward closing costs.

4. What are the eligibility requirements?

- Property must be a single-family, owner occupied, principal residence located in the State of Michigan.
- Homeowners must be refinancing through the Home Affordable Refinance Program.
- Non-military, military and veteran Homeowners are eligible.

5. Are there income, asset, or purchase price limits?

No.

6. Are the HARP grant funds taxable?

A review of applicable tax law indicates that it is likely that the grant money received should be reported as ordinary income on income tax returns. Please consult with a tax professional regarding appropriate tax treatment of the grant funds.

7. Can the homeowner receive cash back at closing?

Cash back from the grant funds is allowed up to \$250.00

8. Do the grant funds have to be repaid?

No.

9. Is the lender responsible for submitting post-closing documents to MSHDA?

Yes. The lender is ultimately responsible for ensuring delivery of the post-closing documents to MSHDA. The lender can however, add closing instructions for the closing/title company that direct grant fund post-closing documents be submitted by the closing/title company to MSHDA.

10. At what stage in the loan process does the lender upload an application/affidavit requesting grant funds?

- Application/affidavits must be faxed to 517.636.6163 once it has been approved by the lender's underwriter.
- MSHDA must receive the application at least six (6) business days prior to the closing date.

11. What is required for a lender to participate in the grant program?

- The lender must be licensed to provide mortgages in the State of Michigan.

12. How will the lender and closing/title company know that grant funds have been approved for a particular homeowner?

MSHDA will email the lender and the closing agency/title company that funds have been direct deposited/electronically transferred to the closing agent or title company.